



# **Taking stock of the recommendations of the European Economic and Social Committee on Single Market policies**

*Single Market Observatory (SMO)*



**European Economic and Social Committee**

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## Foreword by Staffan Nilsson, EESC president

Since the launch of the Single Market in 1992, the European Economic and Social Committee (EESC) has been closely involved, making a contribution by way of opinions that express the voice of the organised end users of the so-called Single Market rules.

Civil society organisations play a major part in shaping the European Union. It is of paramount importance that their voice be heard and their recommendations integrated in the relevant legislative proposals. This is how a pro-active multi-level democracy must work.

It makes sense to base this summary of the Committee's opinions related to Single Market policies on the input from the Monti, Grech and Herzog reports. This allows for a global vision of civil society's pluralist, fact-based contribution to shaping Europe's future.

Looking ahead means taking today's realities into consideration and correcting what does not work properly, refocusing policies whenever necessary to make them more efficient and reactive to the needs of citizens, workers, consumers and businesses.



**Staffan Nilsson**  
President of European Economic and Social Committee

## Introduction

This contribution renders the Committee's pluralist set-up. Its members are representatives of organised civil society – employers, employees and various interests groups – and have been part of the EU decision-making process since 1957. The Lisbon treaty has confirmed the functional link between the EESC and the European Parliament. Participatory democracy (the EESC) is a corollary to representative democracy (the European Parliament).

This document summarizes the proposals of the European Economic and Social Committee (EESC) on Single Market issues<sup>1</sup>, which it formulated in various opinions over the last twenty years on the occasion of the 20th anniversary of the European Single (or Internal) Market. A number of EESC recommendations will have been turned into reality, others not. It will be interesting to map the changes or the progress made between 1992 and 2012 and this will be the subject of a separate publication by the Single Market Observatory that will accompany its Review of the obstacles to the Single Market also to be published in the 2nd half of 2012. The Cecchini report on The Cost of Non-Europe (1991) did a similar exercise that could also be a source of inspiration.

<sup>1</sup> Drafted by J.-P. Faure with contributions from P. Koivuniemi, S. Todorova and L. Mobilio (all SMO secretariat).

<sup>2</sup> President: Edgardo Maria IOZIA (Group II, Employees – Italy), vice-presidents: Evangelia KEKELEKI (Group III, Various Interests – Greece), Pedro ALMEIDA FREIRE (Group I, Employers – Portugal).

The aim of this document is to highlight the contribution of Europe's civil society organisations represented at the EESC on the Single Market debate. The European Economic and Social Committee (EESC) has been closely following the Single Market from the civil society perspective and set up its Single Market Observatory (SMO)<sup>2</sup> in 1994 to this effect. The contribution of civil society organisations is an indispensable element for the right focusing of the measures that are required to relaunch the Single Market since they represent its users. The 50 proposals under scrutiny are only the start of a long term process to revive the Single Market. This process should never stop because the Single Market is a work in progress.

There is no specific Single Market for each of the socio-economic categories. According to the Treaty on European Union (art. 3.3) "The Union shall establish an internal market. It shall work for the sustainable development of Europe based on balanced economic growth and price stability, a highly competitive social market economy, aiming at full employment and social progress, and a high level of protection and improvement of the quality of the environment. It shall promote scientific and technological advance". The world will not wait for us. Europe's fragmentation, protectionism, nationalism and lack of vision will not allow us to compete with the new global powers.

Open communication on the added value and challenges is of paramount importance in order to gain public support. Short term political aims often resulting in a lack of consistency and/or unbalanced proposals as well as the financial economic, political and social crises do not contribute to citizens' trust in the EU. It is important to take into account the reality on the ground and the real worries of citizens. As Peter Sutherland put it on 16.01.2012<sup>3</sup>, "governments do their best to obscure the positive input of European integration". As long as this mindset prevails, all endeavours to achieve a truly cooperative i.e. integrated Europe that is connected to its citizens will fail. This credo was also the subject of an own-initiative opinion ("Developing a people-oriented, grassroots approach to internal market policy", rapporteur J. PEGADO-LIZ) paired with a similar opinion issued by the Consultative Committee of the European Free Trade Association (EFTA CC)<sup>4</sup>. For convenience sake, the compendium of EESC recommendations is based on what might call the "Single Market trilogy", i.e. the Monti, Grech and Herzog reports, and therefore uses the same list of Single Market subheadings or policies.

Ultimately, it is worth reminding of statements by the Committee in its opinion on the fiscal environment for SMEs (CES/1403/1994), the Committee stresses once again that its membership "enables it to operate as a consultation platform and a forum for the exchange of views in the exercise of its consultative role. Thus, whenever the Commission plans broadly-based consultation on an action programme, in order to define realistic objectives and guidelines at an early stage of drafting, input from the economic and social interest groups via the EESC could prove useful in more than one respect, and particularly in ensuring that all relevant points of view are taken into account and that problems are swiftly identified. This approach could be envisaged for certain action programmes and guidelines, in accordance with procedures to be agreed and without prejudice to the normal consultation procedure." Furthermore, as stated in its opinion on SMEs cross-border cooperation (CES 468/1997), "the Committee and its Single Market Observatory must draw certain conclusions as to the role they will be able to play as the EU's consultative body representing the economic and social interest groups - including SMEs - and as an institution entrusted with the task of observing the operation of the single market".



**Edgardo Maria IOZIA**  
**President of the Single Market Observatory (SMO)**

<sup>3</sup> Policy Dialogue on "A European Union stronger after the crises" with Peter Sutherland and Commission Vice-President Joaquín Almunia on Monday 16 January 2012 at the premises of the European Policy Centre (EPC).

<sup>4</sup> <http://efta.int/advisory-bodies/advisory-bodies-news/2011-12-12-cc-smo.aspx>.

## The Single Market trilogy: the Monti, Grech and Herzog reports

The aim of this compilation going back to late 2010 was to facilitate the work of the rapporteur(s) who in charge of the drafting of the EESC's opinion on the Single Market Act. The Monti report was the basic reference document. Since the three reports have each a different structure and focus (because of different approaches) some of the recommendations of the Herzog and Grech reports, which are more general, are to be found in a separate synopsis at the end of the main compendium.

## The authors and their texts

### Prof. Mario Monti



*"Every single word in the title of the Communication<sup>5</sup> is of paramount importance"* (M. Monti, Confrontations Europe, 18.11.2010)

Prof. Mario Monti served as the Commissioner for Competition from 1999 until 2004 and in turn was in charge of the Single Market. He is now heading the Italian government. The Monti Report is one of the reference documents from which Commissioner Barnier has developed his "Single Market Act" (COM(2010) 604 final), which is available here:

[http://ec.europa.eu/internal\\_market/smact/docs/single-market-act\\_en.pdf](http://ec.europa.eu/internal_market/smact/docs/single-market-act_en.pdf)

### Philippe Herzog



*"There must be a change in the social nature of the Single Market while not harmonising social policies"* (P. Herzog, Confrontations Europe, 18.11.2010)

Philippe Herzog chairs Confrontations Europe, a think tank that "acts as a laboratory to develop analyses and ideas with regard to changes occurring in France, in Europe and around the world, as well as proposals for social, economic and political changes". The Herzog Report has been published on 05.07.2010 by Confrontations Europe at <http://www.confrontations.org/spip.php?article841v>. The PDF version is available here: [http://www.confrontations.org/IMG/pdf/Philippe\\_HERZOG\\_Internal\\_Market.pdf](http://www.confrontations.org/IMG/pdf/Philippe_HERZOG_Internal_Market.pdf)

The Herzog report has been issued by Confrontations Europe at <http://www.confrontations.org>, on 05.07.2010. It is one of the reference documents from which Commissioner Barnier has developed his Single Market Act.

Philippe Herzog states three interconnected hypotheses of why the Single Market is not operating as intended:

1. Because of social and national resistance,
2. Because it is not fully constructed,
3. Because the rules in themselves are not well enough thought out and will have to evolve.

<sup>5</sup> The communication introducing a Single Market Act (COM (2010) 608 final): [http://ec.europa.eu/internal\\_market/smact/index\\_en.htm](http://ec.europa.eu/internal_market/smact/index_en.htm) and <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2010:0608:REV1:EN:PDF#page=2>.

## Louis Grech



*"It is difficult to conciliate many sensibilities, interests and cultures with the concept of Single Market"*  
(L. Grech, EP Single Market Forum, 09.11.2010)

The Grech Report was published on 20.05.2010 by the European Parliament. Louis Grech (MEP) was the rapporteur of this resolution, which is one of the reference texts for the Commission's Single Market Act. This 3rd document summarizes the proposals of the European Economic and Social Committee (EESC) on Single Market issues, using the same pattern as the first two.

According to the Grech report the Single Market has failed to operate to its full potential. There are currently too many existing obstacles that range from a lack of information to a lack of administrative coordination and cooperation. Also SME's that wish to only operate locally have experienced some detrimental effects from over-regulation. The amount of red tape existing in the Single Market has also deterred workers, service providers and professionals from moving to another member state. Understandably these issues must be resolved before a true Single Market can come into existence. Also the Single Market must evolve so it will not be seen as being in isolation from other horizontal policy areas. The Single Market must be seen as a corner stone to the EU strategy and in doing so the European Union must show that the market is beneficial to citizens. The following is a summary of how the Grech report believes that this can be achieved.

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Summary of the EESC recommendations on the Single Market Act (CESE 525/2011), on the Twelve Levers (CESE 1583/2011) and on Key Actions towards a Single Market Act II (CESE .../2012)  
Opinion on the Single Market Act  
Opinion on the Twelve Levers  
Opinion on Key Actions towards a Single Market Act II



## A. Building a stronger Single Market

### 1. Mobility

#### Recommendations of the Monti Report

**Ensure the free circulation and recognition of official acts;**

**Introduce a European Free Movement Card;**

**Make progress in the mutual recognition of civil acts relating to international marriages and to successions and wills;**

**Ensure easier cross-border debt recovery, including a wider use of the European Small Claim portal;**

**Abolish double taxation of registration for cars.**

#### Recommendations of the EESC

**SOC/356 – CESE 1940/2009**

##### **Cross-border mobility for young people**

Implement community law correctly; remove the administrative and legislative obstacles relating to residence permits, social security rights and recognition of student cards from other countries;

Introduce a “European Trainee Statute” or “European Student Statute” to ensure equal treatment;

Reform the current mobility programmes – Erasmus, Leonardo, Comenius, Grundtvig and Marie Curie – to simplify procedures and ensure that there are as few bureaucratic obstacles as possible.

**SOC/296 – CESE 996/2008**

##### **Promoting the mobility of young people in Europe**

No need for yet another High Level Group but better set up an inter-DG working group to:

- Determine the obstacles that have already been identified and described previously;
- Identify effective measures approved at EU level in order to overcome these (regulations, directives, decisions, resolutions, recommendations, etc.);
- Identify as yet unsolved problems which have been defined and are in the process of being resolved by means of legislation;
- Identify problems which have been defined but for which there are no pending solutions;
- Identify measures which have been proposed but not taken into account, or not implemented by the Member States.

### **INT/511 – CESE 1819/2010** **Succession and the European Certificate of Succession**

The Commission should focus on taxation issues that might face the heirs to an estate located in two or more countries;

The issue of wills and successions is one of major interest for the citizens of Europe; their hopes for a simplification of formalities, greater legal and fiscal certainty and a speedier settlement of international successions, which they expect from a Community initiative, must not be disappointed.

### **INT/332 – CESE 89/2007** **Review of the Single Market**

Public scepticism vis-à-vis Europe can only be overcome if policies address citizens' pressing concerns. Communication alone will not suffice;

Investments in education, training and research are a necessity, not a luxury for Europe. Achieving the European Research Area and lifelong learning is thus a priority;

The credibility of the EU research policy has been more than dented by the repeated setbacks over the introduction of the Community patent. SMEs need this – and IP issues - to go ahead;

Prevent confidential data relating to SMEs' production processes and research and innovation processes from being "tapped into" by competitors from outside the EU;

In the context of transatlantic relations, the Commission and the Council should be firmer in requiring the United States to comply with the principle of non-discrimination. Similarly, commercial court cases between foreign companies and American ones are biased in favour of the latter;

The use of regulations would also where possible create a clearer legal environment and be a factor of coherence;

Upward harmonisation even over 27 countries, difficult though it may be, is an important element of the Single Market;

Harmonisation of the tax basis for companies and avoid double taxation, which has no place in a Single Market;

Member States who do not yet permit free movement should remove their obstacles to worker mobility;

The SOLVIT dispute resolution definitely needs more resources and personnel in national capitals. A structured publicity campaign should be conducted to create the awareness among SMEs (and citizens) about the existence and facilities provided by this mechanism.

## **2. Retail banking sector**

### **Recommendations of the Monti Report** **Adopt EU legislation on collective redress;**

**Improve the transparency of bank fees, ensure the availability of standardised and comparable information for retail financial products and facilitate bank customer mobility.**

## **Recommendations of the EESC**

### **INT/ 348 – CESE 528/2008**

#### **Collective actions system and its role in Community consumer law**

In-depth appraisal of the role of and legal arrangements for a form of collective group action, harmonised at Community level, in particular in the area of consumer law and competition law, at least at an initial stage;

Any practice of giving a substantial share of sums won as compensation or punitive damages from cases championing consumer interests to third party investors or lawyers, mirroring American class actions, would be harmful;

Improved alignment of ombudsman and related systems in the various sectors of consumer society, particularly in places where cross-border trade is most developed or most likely to develop;

### **INT/473 – CESE 1693/2009**

#### **Consumer collective redress**

Sufficient safeguards need to be built into the system against frivolous claims and abuse mainly driven by financial incentives and profit motivation from parties other than the consumers.

### **INT/361 – CESE 62/2008**

#### **Green Paper on financial services**

In the medium term, the problem of the language barrier is destined to remain unresolved and be a major barrier to consumers' cross-border mobility;

Only consumers with a good level of financial understanding can properly grasp just how complex meeting financial needs can be and, consequently, appreciate the added value of competent, independent financial advice. There should also be special arrangements for consumers who are not (fully) at ease with new technologies;

Technical, regulatory, fiscal and legal constraints can often make it difficult to create the right conditions for the degree of consumer mobility suggested by the Commission;

Improve conditions so as to open up the Single Market effectively to retail financial activities and remove the artificial barriers that get in the way.

### **INT/496 - CESE 633/2010**

#### **Accessing consumer and household credit: abusive practices**

The creation of a single, transparent, complete regulatory framework for access to credit is essential;

Look at the best way of removing the gaps in the current regulatory framework, particularly as regards credit products supplied, misleading advertising practices, transparency of conditions, credit intermediaries, information asymmetries and education of the parties concerned in financial matters;

The Member States should establish supervisory authorities for unfair commercial practices with specific powers in the area of credit;

Extend the European rapid alert system (RAPEX) to placing of toxic products on the European financial and credit market;

Establish a specific, comprehensive European rule governing the various types of credit intermediary, setting out definitions, requirements and behaviour obligations, irrespective of the product marketed and of whether the credit activity carried out is a primary or subsidiary activity;

Design a specific rule for supervision of the activities, practices and actions of those whose intermediary business is ancillary to other businesses, part of a commercial activity;

Introduce on the European market appropriate ranges of "certified" or "standardised" credit products to supplement existing products, in order to promote greater transparency;

Creation and promotion, in agreement with the public authorities, of civil society networks for analysis, assistance and supervision concerning situations of social exclusion and poverty associated with credit and over-indebtedness;

Introduce common procedures to promote national systems for combating usury, coordinated under a European regulatory framework;

Bring forward review of the effectiveness of Directive 2008/48/EC (the first review is due to take place by 12 June 2013) and shortening the periods between reviews from five to three years.

#### **INT/528 – CESE 347/2011**

##### **Regulating financial services for sustainable growth**

The Commission should ask the European Parliament and the Council to fast-track all actions related to the regulation of financial markets;

In order to avoid negative consequences, the EESC recommends that a profound study on the cumulative regulatory initiatives be undertaken for the necessary measures on the financial system and the capital market;

The Commission could task the EESC with advocating in the Member States the need to take quick and comprehensive decisions on the regulation of financial markets, via public initiatives on the ground involving the social and economic players and financial services consumer organisations.

#### **INT/527 – CESE 62/2011**

Remuneration policy should not just be about those at the top of financial institutions but also about remuneration at all levels;

While governance codes remain voluntary, the onus is upon the supervisory authorities to ensure that as far as possible, these codes are adhered to across the European Union.

### 3. SMEs

#### **Recommendations of the Monti Report**

**Speed up implementation of the Small Business Act;  
Adopt the Statute for a European Private Company.**

#### **Recommendations of the Grech Report**

**Due to the importance of SMEs in the Single Market, obstacles which prevent SMEs from accessing public procurement markets should be removed. An example of this would be simplifying the requirements for SMEs in calls for tender by contracting authorities;**

**Joint initiatives by the Commission should be introduced to support small businesses operating across borders throughout the EU and reduce administrative, financial and regulatory burdens;**

**All information and services of the Single Market should be available in all official EU languages to help SMEs bridge the linguistic gap;**

**The EU and all Member States must take a harder stance against gold-plating;**

**The proper implementation of the Small Business Act, in particular the strict application of the SME test by the Commission when proposing new legislation, as well as a European private company statute should be introduced;**

**Strongly supports the regulation governing translation requirements for the future EU patent;**

**Directive 98/34/EC is an efficient tool that can be used to fast-track the infringement procedure if a Member State does not comply with a detailed opinion issued by the Commission or does not react to a detailed opinion issued by a Member State;**

**Believes that different economic and social policies such as budget, tax, education and research policies must be coordinated at EU level.**

#### **Recommendations of the EESC**

**INT/445 – CESE 38/2009**

#### **Small Business Act for Europe (SBAE)**

**Create a binding legal instrument to govern application of the Think small first principle, ensuring, by way of maximum compulsion, the effective, practical implementation of these governance principles, at EU level and in the Member States and regions;**

**Establish a roadmap accompanied by a precise timetable and suitable means for implementing specific, large-scale SBAE initiatives;**

**Clear commitments on reducing red tape, particularly as regards the once only principle for all administrative formalities;**

Reorganisation of the Commission's services to provide SMEs with a genuine partner and instruments to promote the Europeanisation of companies;

European tools to act as a lever to promote capitalisation, networking, investment and life-long learning in SMEs;

Create a coherent policy framework across all EU policies so that SMEs are considered the rule rather than the exception;

National interpretation of the SBAE's objectives, including by means of legislation; and

Return to the practice of permanent consultation of intermediary organisations and the social partners.

### **INT/483 – CESE 1930/2009**

#### **Late payment in commercial transactions**

Need for short, mandatory payment periods for all authorities and public institutions at European, national, regional and local levels;

Improve the Late Payment Directive (COM(2009) 126 final - 2009/0054 (COD)) as follows:

- **For public procurement contracts:**
  - The express establishment of a specific regulation requiring payments to be made within a maximum period of 30 calendar days, while eliminating the exception to this rule or, at least, restricting it to a maximum of 60 calendar days after delivery; the problems faced by authorities in financing their activities can by no means be greater than those of SMEs;
  - Similarly, the removal – or at least the restriction – of the exception regarding the maximum 30-day duration of a procedure of acceptance.
- **For all commercial transactions:**
  - For late payments, the establishment of an obligation to pay certain interest, compensation and minimum internal costs, unless the contract includes other clauses more favourable to the creditor;
  - Development of the rules on grossly unfair contractual clauses and unchallenged debts; and
  - In the application of freedom of contract, consideration of the principles of fair competition and business ethics, and curbing the abuse of rights.

Member States step up cooperation and provide for joint information and support measures aimed at SMEs, with regard to late payment for cross-border transactions.

### **INT/390 – CESE 118/2008**

#### **Policy measures for SMEs**

10 key measures to support and re-launch SME development by creating a truly favourable environment and effective Small Business Act for Europe, which will be more than just another political declaration:

- Have a good knowledge of the European landscape of the various types of SMEs, their evolution and their needs at cross-sectoral and sectoral level in the light of the internal, external and cross-border aspects of the Internal Market, particularly through the publication of annual reports;

- Integrate the SME dimension into all Community policies and into the legislative process;
- Pursue a strategy of simplified administration at all levels and to establish a new method of consultation with the various types of SMEs and the intermediary organisations representing them;
- Ensure that legislation at all levels takes account of the situation and needs of the various types of SMEs and applies the principle of “think small first”;
- Ensure that legislation respects the following four fundamental principles: 1) effective impact analyses, 2) proportionality, 3) “only once,” and 4) the principle of safeguarding, with a particular focus on extending the powers of the SME Envoy (i.e. the SMEs’ representative) and creating an SME ombudsman for the Single Market;
- Support the assistance and advisory activities of intermediary organisations representing SMEs;
- Relaunch business cooperation and inter-organisational exchange programmes and to establish a network of related support services;
- Introduce a more extensive and permanent policy of innovation focused on small business;
- Simplify and promote SMEs’ access to EU programmes;
- Launch a policy for the transfer of business ownership;

Implement the SBAE at all levels in the form of a legally binding instrument.

**INT/444 – CESE 1348/2008**  
**Statute for a European private company**

Set up a simplified European statute for SMEs as a complement to the European Company Statute.

**INT/447 – CESE 1454/2009**  
**Diverse forms of enterprise**

Need for the legal framework regulating enterprises, together with competition policy, to promote the diversity and plurality of forms of enterprise (...) so that a level playing field is created between all different forms of enterprise;

The Commission should begin work on approving separate European statutes for associations and mutual societies;

The Commission should respect the identity of cooperatives in accounting matters and treat the members’ share capital as the cooperatives’ shareholders’ equity rather than debt as long as the member does not become a creditor by leaving the cooperative;

Create statistical registers of the above-mentioned forms of enterprise;

The Commission should encourage Member States to study the possibility of granting compensatory measures to enterprises on the basis of their confirmed social value or of their proven contribution to regional development.

#### **INT/479 – CESE 1159/2010**

##### **Financing structures for SMEs in the context of the current financial situation**

The Commission should strengthen the financing instruments for SMEs by ensuring that the CIP guarantee scheme continues after the current financing period;

Establish trading platforms for micro-companies and SMEs. Most Recognised Stock Exchanges have too many reporting requirements and lengthy procedures for an SME to be able to list;

It may be more appropriate for the banks to earmark an agreed percentage of the bailout funds (in those countries where they have been used) to offer credit facilities to small and micro-enterprises, particularly for innovative ventures;

Develop a framework that facilitates the establishment of participative and ethos microfinance institutions. This method of finance may be certainly beneficial to SMEs as it is based on risk and profit sharing, stable financing and avoiding speculation;

Member States could lend directly to SMEs or give full or partial guarantees to the financial institutions as an incentive for them to lend. During the financial crisis a number of Member States have adopted this practice that proved to ease the SMEs difficulties to access finance;

The EIF fund ought to invest directly in SMEs or else through a sub-fund for a specific area such as the Young Entrepreneurs Fund which would also encourage an entrepreneurial culture;

Encourage tax incentives in Member States for business angels and their networks including family investors such as parents. Many young entrepreneurs rely on family funds given that no other funds are available;

#### **INT/519 – CESE 1165/2010**

##### **Creativity and entrepreneurship: mechanisms for climbing out of the crisis**

Europe's human capital could be harnessed swiftly by creating an "ENABLING" environment if the following 10 simple and feasible recommendations are ACTIONED to enhance change:

1. VISION – A Single Vision for Europe;
2. EDUCATION - Promotion of Ambition;
3. MOBILITY - Building opportunities for organised learning;
4. RISK AWARE - Guiding Europeans out of Risk Aversion;
5. STIMULUS - Encouraging the Entrepreneurial Spirit;
6. ACCOUNTABILITY - Of European projects;
7. COMMUNITY- Promoting Active Citizenship;
8. IMPLEMENTATION – Of policy for Entrepreneurs and SMEs;
9. CONSULTATION - A Platform for Stakeholder Discussion;
10. PROMOTION – A new culture in the Media and the role of 'Ambassadors'.



### **ECO/255 – CESE 1935/2009**

#### **The financial crisis and its impact on the real economy**

A second, more ambitious European support plan is needed as regards the resources for and implementation of the measures that are required in various economic sectors in different countries, including structural reforms, or, failing that, a well-coordinated plan to give a positive signal to European businesses and citizens on the added value and quality of European integration;

Radically reform the various policies for which the EU is responsible (Structural Funds, cohesion, CAP, environment, training, research, the Lisbon Strategy, etc.), starting with the simplification of procedures and regulations;

Finance a system of European networks (energy, transport, communication) by launching a Community loan and by supporting the development of Public-Private Partnerships PPPs;

Agree a common approach to intervention for European banks to stimulate them to restore lines of credit to businesses, with special conditions for SMEs, for example by deferring debt, establishing a guarantee fund, or direct funding from the state and the EIB;

Enable employees of SMEs to access “social shock absorbers”, i.e. employment support measures;

Agree fiscal policy measures to stimulate demand, recovery and employment, in conjunction with macroeconomic and monetary measures;

Make the labour market, which is currently too fragmented, “more European”, i.e. more integrated with communicating vessels, removing obstacles both within and between countries;

Take steps to attract investment in industry, including inward investment, by ensuring that Europe offers comparative advantages versus other regions in respect of competition law.

### **INT/607 – CESE 1293/2012**

#### **Small business, big world**

When it comes to SME internationalisation, there are no clearly demarcated competences (entrepreneurship, trade, development aid, customs and taxation, etc.) for the Commission’s DGs and their cooperation with the European External Action Service.

### **INT/573 – CESE 1371/2011**

#### **Small Business Act review**

The Commission, the European Parliament and the Council, as well as the Member States and the regions should place the SBA’s “Think Small First” principle at the heart of EU, national and regional decision making;

Organisations representing the different categories of SMEs to be fully involved in the legislative and decision-making process at all levels.

### **INT/519 – CESE 1165/2010**

#### **Creativity and entrepreneurship: mechanisms for climbing out of the crisis**

**INT/494 – CESE 1457/2009**  
**European Microfinance Facility**

Establishment of trading platforms for micro-companies and SMEs;

The establishment of regional mini-platforms co-ordinated by a European Network would create a new tool that may be used to raise new capital for small companies;

Member States lend directly to SMEs or give full or partial guarantees to the financial institutions as an incentive for them to lend. During the financial crisis a number of Member States have adopted this practice that proved to ease the SMEs difficulties to access finance;

In order to encourage intermediary banks to use EIB funds for SMEs, the risk should be shared by them together with the EIB;

Tax incentives in Member States for business angels and their networks including family investors such as parents. Many young entrepreneurs rely on family funds given that no other funds are available. These investors should be rewarded and encouraged through tax credits.

**INT/224 – CESE 950/2004**  
**Multi-annual programme/SMEs**

More effort should be made to inform SMEs about the existence and functioning of the Guarantee Facility and to find better ways of accessing and communicating with the EIF and the EIB.

**INT/109 – CESE 363/2002**  
**European Company Statute for SMEs**

Need for a European legal form for SMEs;

It should also be possible for individuals and small businesses to establish such European legal forms, should they wish to be involved in cross-border co-operation in order to strengthen their competitiveness.

**INT/106 – CESE 36/2002**  
**SMEs go digital**

Urgent need for completion of the international dialogue to define an acceptable regulatory framework worldwide which will provide the necessary security for e-commerce.

**INT/068 – CESE 592/2000**  
**European small business charter**

A one-stop shop, with a single document and identification number, should be used for the start-up and development of small companies.

**INT/060 – CESE 700/2001**  
**The crafts sector and SMEs in Europe**

Given demographic trends in the EU and Europe as a whole, and the growing need for well-trained skilled workers, a radical review of tax systems and labour costs seems to be an urgent necessity at Member State level, especially as regards the period of apprenticeship and/or training;

Awareness of these instruments must be raised by providing companies and regions with more information and promoting the establishment of one-stop shops for requesting information and submitting applications (one-stop credit shops).

**IND/411 – CES 270/1991**  
**Assistance programme for SMEs**

The easing of administrative burdens, which is the subject of a Council Recommendation, has scarcely advanced at all. Such burdens are often the result of national implementation rules.

**ECO/127 – CESE 663/2004**  
**An Internal Market without company tax obstacles**

A new impetus is required towards consolidating the arrangements for corporate tax such as an agreement between Member States as to what is allowable and what is not allowable against national tax. The need for a common tax base is a priority.

**ECO/302 – CESE 1047/2011**  
**Common consolidated tax base**

Whether, and in what measure, the CCCTB will have adverse social and societal consequences in terms of where businesses choose to establish themselves is difficult to gauge. The EESC recommends that a socio-economic impact assessment be conducted on this;

If the CCCTB were to remain optional for ever, this would create considerable red tape for the Member States.

**CCMI/064 – CESE 1942/2009**  
**SMEs adapting to global markets**

Eight recommendations to guide and inspire actions to support SMEs in adapting to global market changes;

Recommendation 1: Respect Entrepreneurs;

Recommendation 2: Reduce barriers to trade;

Recommendation 3: Encourage trade competitiveness through raising quality;

Recommendation 4: trade policy must “Think Small First”;

Recommendation 5: Tailor Policies to SME needs;

Recommendation 6: Support SMEs through their workers;

Recommendation 7: Networks matter to SMEs especially as they become global;

Recommendation 8: Innovate and Evaluate.

#### **CCMI/086 – CESE 467/2011**

##### **Effect of the crisis: labour force distribution among sectors (SMEs)**

Roadmap to create – as of now – the necessary conditions for the development of new innovative enterprises and support for existing SMEs in order to contribute to creating new jobs, which are needed to emerge from the crisis, and in order to return to sustainable growth;

Access to new markets should be preceded by solid trade agreements setting out simple ready-to-use procedure protocols for SMEs;

Strengthened development of clusters and sectoral groups of SMEs. Contract and knowledge sharing between large and small businesses could result in innovative leaps, through sectoral and other networks;

Financial challenges and other aspects of the crisis facing SMEs have been aggravated by an inability to develop new measures. Instruments such as JEREMIE, JASPERS and JESSICA need to be strengthened;

The Commission should speed up the “fitness checks” on existing legislation, thereby setting an example to Member States, in order to reduce the cumulative effects of legislation, compliance and costs.

#### **NAT/378 – CESE 761/2008**

##### **SMEs: small, clean and competitive**

The Commission needs to develop a proactive approach towards SMEs by establishing a structured system of cooperation for companies at local level.

In particular, it is essential to:

- Establish the uniformity of environmental legislation – given its highly complex nature – harmonising it at national level, with a view to greater legal consistency;
- Simplify and enhance the legal framework by, inter alia, making laws simpler and clearer;
- Cut red tape and reduce administrative burdens;
- Develop tailor-made, sectoral environmental management schemes, making them more accessible to SMEs;
- Build expertise, particularly through SME bodies, by training local experts to provide professional assistance to SMEs;
- Restructure the programme’s financial resources towards greater simplicity and effectiveness; and
- Improve communication and information, particularly in terms of circulating the results of best practice.

## 4. Digital Single Market

### Recommendations of the Monti Report

#### 4.1. Telecom

Create seamless regulatory area incl. reinforcement of regulatory oversight at EU level, pan-European licensing and EU-wide frequency allocation and administration.

#### 4.2. E-commerce

End the fragmentation of EU consumer legislation and introduce harmonised rules for delivery, warranty and dispute resolution;

Simplify the business environment for cross-border retail transactions, incl. VAT rules, cross-border management of recycling rules and of copyright levies on blank media and equipment.

#### 4.3. Online digital content

EU copyright law, incl. EU framework for copyright clearance and management;  
Legal framework for EU-wide online broadcasting.

### Recommendations of the EESC

TEN/407 - CESE 1951/2009

#### Internet of Things - An action plan for Europe

Need to afford intellectual property better protection and promote the patenting of technical facilities, devices, procedures and methods (see also the EESC's views on the Compat issue...).

INT/334 - CESE 795/2007

#### Protection of consumers – distance contracts

Review of the rules on the distance selling of financial services and certain aspects of electronic commerce out of a concern to make all the disparate provisions more accessible and easier to understand;

Providing contracting parties - particularly less well-informed consumers – with real information, and also that there should be an effective system for sanctioning practices that breach existing legal provisions.

INT/595 – CESE 1167/2012

#### Towards a digital Single Market

The Europe 2020 strategy should be incorporated into the European Copyright Code.

### **INT/560 – CESE 1159/2011 e-Invoicing**

Adopt a regulation rather than a directive to avoid problems with diverging transpositions that would maintain different standards in the area;

SME interests should be protected in terms of payment of VAT, which should be linked to the payment of the electronic invoice rather than a certain date of issue. The new system will need to give due consideration to the problems that SMEs may have in managing their liquidity;

The widespread and rapid adoption of electronic invoicing should remain optional and, whilst understanding the aims of such a measure, does not consider that the conditions for making it mandatory are fulfilled.

## **5. Energy**

### **Recommendations of the Monti Report**

**New EU regulatory framework for the large scale development of renewable sources, smart metering, smart grids and transparent wholesale energy markets;**

**Single Market for green products through EU-wide standards for measuring and auditing carbon footprints and for energy-efficient products, incl. trade certificates for renewable energy products;**

**Step up targeted EU funding for energy infrastructure.**

### **Recommendations of the EESC**

**TEN/394 – CESE 1698/2009**

#### **The Renewable Energy Progress Report**

Need for a single long-term EU energy strategy;

The electricity market needs a stable and predictable long-regulatory framework.

**NAT/440 – CESE - 1706/2009**

#### **Outlook for the sustainable development strategy**

To be effective, the EU SDS – as a meta-strategy - needs an entirely new structure of governance, including an adequate level of staffing and finance, and appropriate mechanisms for verifying implementation of the strategy;

Better coordination within the Commission, possibly supported by a commissioner with responsibility for coordination;

Establishment of a high level independent Committee charged with monitoring the progress of sustainable development on a regular basis and making public recommendations to the institutions;

## 6. Single Market for goods

### Recommendations of the Monti Report

Assess the effects of the 2008 package on the functioning of the Internal Market for goods and identify possible further steps;

Review the EU standard-setting system striking the right balance between EU vs MS levels;  
New measures to deal with remaining technical and administrative barriers to the establishment of a Single Market for rail;

Adopt the EU patent and a single patent jurisdiction.

### Recommendations of the Herzog Report

Financial institutions should facilitate the mobility of customers as well as educate and advise customers to a greater degree;

The Commission must meet the challenges of regional cohesion. Currently there is a pattern of rural decline and urban congestion:

- This can partially be addressed by ensuring that essential goods are readily accessible throughout the Single Market;

SME's must have access to research, training, funding and assistance on the international market;

Services of general interest (SGIs) must be modernised and have a higher quality;

Reconcile the economic freedom of services and public service obligations? Protection is not a guarantee for quality";

Private services providers must be responsible for public goods in key areas.

Threefold strategy:

- Underline the key role of public goods in the European market economy taking due account of new needs and sustainability;
- Promote European public goods for citizens, SMEs, cohesion and local development;
- In doing so, include civil society in a dialogue with public and private actors.

### Recommendations of the EESC

INT/409 - CESE 1502/2008

#### A Single Market for 21st century Europe

Promote and capitalise on scientific research and innovation results, assisting national technology suppliers in promoting at European level the innovative products and technologies, promoting dissemination and trans-national exploitation of research results;

Correct and uniform enforcement of existing legislation and standards;

The European Globalisation Fund is an important instrument of solidarity that will provide specific help to workers made redundant as a result of changing global trade patterns to find another job. While it is welcomed that the scheme applies to employees in SMEs it should also be available to the self employed who will be vulnerable to the same changes;

Easy and affordable access to justice for citizens and businesses should be provided including adequate means for redress and dispute resolution mechanisms. In this regard, development of out-of-court dispute resolution tools should be improved;

Concerning SGEIs, sector-specific actions (taking account of the specific characteristics of each sector) must be combined with issue-specific approaches.

#### **ECO/295 – CESE 1169/2011 Cross-border tax obstacles**

Removing double taxation and enhancing administrative simplification in cross-border situations:

The establishment of one-stop shop services;

The simplification of administrative procedures applied to cross-border situations;

The provision of advance tax rulings;

The setting-up of an independent Cross-Border Taxation Observatory.

#### **INT/382 – CESE 1903/2008 Economic democracy in the Single Market**

Raise and maintain the confidence of all players in the internal market by:

- Harmonising all relevant legislation and making it comparable;
- Linking the protection of market players to the fundamental rights recognised in the Treaties;
- Involving the different market players in the bodies that regulate competition and setting up a fluid information network.

## **7. Single Market for services**

#### **Recommendations of the Monti Report**

**Examine which initiatives are required for the services sectors that are not/not fully covered by the Services Directive and make any necessary proposal;**

**Adopt the proposed cross-order healthcare directive and take supporting actions, esp. launch a benchmarking of healthcare systems in the MS.**

#### **Recommendations of the EESC**

**INT/289 - CESE 793/2007**

#### **The Internal Market in services**

Need for statistical basis for quantifying cross-border traffic resulting from the freedom to provide services and freedom of establishment and for reliable data on the structural changes that can be expected in Member States' labour markets.



#### **SOC/322 – CESE 1927/2008**

##### **Patients' rights**

Put forward a framework in which patient mobility can be exercised, without neglecting the need for quality healthcare as close to the patient as possible. The mechanisms introduced should not be disproportionate to the scope of cross-border healthcare;

Each Member State should provide its own definition of hospital and non-hospital care (subsidiarity combined with a consistent *modus operandi* for cross border treatment);

Introduce a single information point, and provision must be made for cases to be brought before the courts in the patients' place of residence;

The compulsory liability insurance system should be extended to include all healthcare professionals.

#### **TEN/389 – CESE 1696/2009**

##### **Services of general economic interest: how should responsibilities be divided up between the EU and the Member States?**

Need for a Community initiative to launch a real debate on establishing guidelines on services of general interest in view of their importance for the Union's social and territorial cohesion in the context of globalisation and in line with the aim of promoting universal access and user rights.

#### **INT/568 – CESE 1161/2011**

##### **A Single Market for services**

the Posting of Workers Directive should be examined in the light of the new treaty. It would be interesting to see whether an examination of the judgments of the ECJ that give primacy to the single market (old Article 49) could shed new light on the matter.

#### **INT/560 – CESE 1159/2011**

##### **e-Invoicing**

Adopt global standards for electronic invoicing. The standardisation and interoperability of systems are essential factors for the dissemination and success of electronic invoicing;

Consider the requirements and interests of consumers amongst the recipients of electronic invoicing;

Need for national public administrations to adopt the principle of equal treatment between paper and electronic invoices, thus removing the obstacles to cross-border trade.

## 8. Workers in the Single Market

### Recommendations of the Monti Report

Coordinate social security systems for highly mobile individuals and in particular for researchers;

Introduce a 28th regime for supplementary pension rights for cross-border workers;  
Remove tax obstacles to cross-border work;

Extend automatic recognition of qualifications;

Strengthen the transparency and recognition of qualifications and skills, developing national qualifications systems and establishing the ESCT system;

Strengthen the EURES system transforming it into a fully fledged platform on placement within the Single Market.

### Recommendations of the Herzog Report

Primary concern of citizens is currently employment. This has led to the Single Market being an unpopular proposition given that the Single Market represents competition;  
Public authorities must stress that further education and growth are inseparable:

- Reform European Social Fund to encourage attainments in education;
- Large scale funds should be set aside to train, retrain and upgrade citizens in struggling Member States;

Need for organisation of professional transitions:

- Would lead to a greater degree of “flexisecurity” amongst European States rather than a fear of unemployment amongst individual Member States;

EU needs to be the catalyst of change:

- Eures and cross-border partnerships used to a greater degree;
- Leonardo and Grundtvig programmes should be elevated to the level of the Erasmus programme;
- Union should create a special programme for highly mobile workers (e.g. Pilots, high-tech maintenance engineers);
- Reconcile cross-border freedoms and national social rights (e.g. in the light of the Posting of Workers Directive);

Social Dumping must be addressed;

As suggested by the European Parliament, compromises on market may be subject to European conventions.

### Recommendations of the Grech Report

The EU and its Member States must intensively promote the benefits of European economic integration due to the fact that citizen’s perception, understanding and knowledge of the Single Market are low, non-existent, confused or even negative.

There are a number of problems in the service sector which need to be addressed. These are:

- 1) Access to safe products and quality services;
  - 2) Access to reliable, comparable and objective information, including price comparisons;
  - 3) Greater legal security and clarity in contractual relations;
  - 4) Greater payment security;
  - 5) Access to adequate, affordable and effective systems of redress and
  - 6) Improved knowledge of, and greater confidence in, the system;
- Better coordination and communication in organisation of websites needed;  
Responsible approach by the business world will help inspire confidence in consumers;  
Existing problem-solving systems for citizens and businesses such as SOLVIT need to be strengthened in accordance with Parliaments report on SOLVIT of 2 March 2010 (2009/2138(INI)).

## **Recommendations of the EESC**

### **SOC/324 – CESE 629/2009**

#### **Identification of outstanding barriers to mobility in the internal labour market**

Unlock the full potential of the EURES (European Employment Services – this applies to EUROPASS too) system and the adoption of further measures to improve the quality, scope and accessibility of the information and services provided and to raise awareness among the European public and, especially, European businesses;

The Member States should take account of the mobility dimension in all political decisions and incorporate firm objectives into their own National Strategies and National Reform Programmes;

Implementation of the Regulation No 883/2004 to enter into force as soon as possible, to ensure that the improvement and simplification it brings to mobility can kick in as soon as possible;

Remedy delays in the implementation of Directive 2005/36/EC on the recognition of professional qualifications;

The interim measures which temporarily limit the free movement of workers from the new Member States are a derogation which should be swiftly revoked.

### **SOC/359 - CESE 1941/2009**

#### **Concerted action to improve the career and mobility of researchers in the EU**

Improve coordination between policies on education, research, labour and social security, to ensure that educational, scientific and social policy instruments are developed in a coordinated manner;

Existing programmes in the field of human resources should be strengthened and better coordinated while mobility should also be promoted;

Set up a monitoring centre for human resources in science and technology in Europe.

### **INT/416 – CESE 36/2009**

#### **The social and environmental dimension of the Single Market**

SOLVIT network, as a mediator between the institutions and the public, might potentially play an important role. However, the network is heavily underfinanced and understaffed and its role and operations must be reassessed.

### **ECO/167 – CESE 740/2006**

#### **Flexicurity: the case of Denmark**

If we consider Danish-style flexicurity within a European context, it is obviously impossible to copy the system blanket-fashion. Some general features may be considered for adoption as a political strategy in other Member States, particularly in places where social capital has developed along similar lines to Denmark, including a tradition of cooperation between the government and the social partners and a readiness by the people to embrace change;

The importance of the Danish-style flexicurity to the European Union lies in the readiness to engage in a proactive adjustment to new realities, promoted by the flexicurity approach.

**SOC/297 – CESE 628/2008**  
**Situation of ageing workers**

The open method of coordination should be used to establish a common framework and set of principles at EU level for issues related to older people and the job market.

**SOC/283 – CESE 767/2008**  
**Flexicurity**

Globalisation, the rapid development of new technologies and the demographic challenge as well as environmental challenges are changing the European labour market. Flexicurity should be a element of the response to these external and internal trends and pressures for a fair balance between workers and employers.

**SOC/282 – CESE 995/2008**  
**Posting of workers**

Proposing to do away with the obligation to keep social registers in the Member State in which the service is being provided lacks of consistency.

**CCMI/066 – CESE 1470/2009**  
**Flexicurity and restructuring**

Flexicurity can only work if employees are properly trained;

The reform of the labour markets in the Member States should ensure that the number of insecure jobs offering more flexibility than security, which has steadily increased over the past few years, does not increase further.

**CCMI/079 – CESE 1153/2010**  
**EU crisis exit strategies and industrial change**

Maintain European social standards with more conviction;

The lack of decisiveness in this area has led to a growing number of working poor, rising inequality, ever greater fear for the future and, at the same time, a rise in citizens' distrust in one another, social institutions, government and EU institutions.

## 9. Citizens and consumers in the Single Market (Grech Report)

**Recommendations of the Monti Report**  
**Adopt EU legislation on collective redress;**

**A fully functioning single market for energy benefits consumers with wider choice and lower prices.**

**All consumers, especially vulnerable ones, should benefit fully from competition and fair prices, starting by strengthening the common minimum standards. The development**

of smart metering would enable energy consumers to be completely aware of their consumption patterns and the associated costs;

Improve the transparency of bank fees, ensure the availability of standardised and comparable information for retail financial products and facilitate bank customer mobility;

End the fragmentation of EU consumer legislation and introduce in particular harmonised rules for delivery, warranty and dispute resolution.

#### **Recommendations of the Grech Report**

Make people aware of and able to understand the benefits it offers them and the ways of effectively claiming their rights;

Tackle with obvious problems encountered by consumers:

- access to safe products and quality services;
- access to reliable, comparable and objective information, including price comparisons;
- greater legal security and clarity in contractual relations; (4) greater payment security;
- access to adequate, affordable and effective systems of redress;
- improved knowledge of, and greater confidence in, the system.

Organise the relevant websites, SOLVIT and contact points more effectively;

Only a small percentage of citizens, consumers and SMEs are aware of existing alternative redress mechanisms, or know how to register a complaint with the Commission;

Prioritising ‘consumer-friendly’ legislation relating to the single market;

Consider the major role consumer associations play in circulating information to consumers about their rights, supporting consumers in consumer disputes, and promoting consumer interests in the construction of the internal market.

#### **Recommendations of the EESC**

**INT/610 – CESE 804/2012**

**Online dispute resolution for consumer disputes**

Linking the ODR platform to an “online complaints book”, which online traders’ websites should be obliged to feature.

**INT/500 – CESE 960/2010**

**What information for consumers?**

The whole structure of the directive on unfair commercial practices should be reviewed and reformulated so as to obviate the disastrous effects of full harmonisation, now being recognised in a whole series of rulings by the Court of Justice;

Be a wholesale review of the detailed list of pre-contractual and contractual information requirements imposed on professionals, which are all too often contradictory, inconsistent and duplicated in various sectoral directives.

**INT/473 – CESE 1693/2009**  
**Consumer Collective Redress**

Collective judicial redress has been under discussion since 1985.

Take further action to encourage businesses, develop internal complaint handling systems, to develop further existing alternative dispute resolution systems and public oversight.

**INT/464 – CESE 1190/2009**  
**Consumer rights**

Proposal on consumer rights should deal only with horizontal harmonisation on distance and off-premises sales, rather than attempting to achieve full harmonisation because these are the areas most affected by cross-border trade.

**SOC/435 – CESE 673/2011**  
**Employment policy guidelines**

Countries with especially fraught labour market conditions as far as youth employment is concerned, and which must simultaneously meet restrictive budget targets, should be given easier access to EU funding set aside.

Eligibility conditions for income support for the young and long-term unemployed looking for a job or education should be reviewed and, where necessary, improved. Corresponding targets should be written into national reform programmes.

**SOC/434 – CESE 478/2012**  
**Programme for Social Change and Innovation**

A flexibility clause to be added to the PSCI enabling it to be adjusted after a mid-term review. In 2017 a provisional review of social changes could be drawn up and submitted to the Parliament and to the consultative committees;

Micro-financing and social entrepreneurship, the EESC recommends:

- taking account of the subsidiarity principle;
- considering the possibility of weighting for different Member States;
- defining the beneficiaries of aid more precisely;
- ensuring that eligible citizens are protected from unregulated, unscrupulous providers of micro-financing;
- being more explicit about the roles of the EIF and the EIB and their leverage effect;
- establishing rules for creditors enabling them to take full responsibility.

**SOC/433 – CESE 477/2012**  
**European Social Fund**

Completely rejects the Commission's proposal to apply Structural Fund financial sanctions and incentives on the basis of compliance with the Stability and Growth Pact;

Structural Funds alone are not enough to cope with the crisis. Europe needs a different type of economic governance which is based on responsible management, focuses on growth and competitiveness, facilitates investment in human resources and promotes justice, cohesion and the principles of solidarity and social integration. The EU's budget has to be reformed in line with these principles.

#### **SOC/407 – CESE 1591/2011**

##### **Strengthening EU cohesion and EU social policy coordination**

The horizontal social clause (HSC, Article 9 TFEU) must be applied to the new Europe 2020 EU socio-economic governance. It must be applied across each of its three priorities (smart growth, sustainable growth and inclusive growth), as well as in the monitoring of progress towards the five EU headline, the seven flagship initiatives, the ten Integrated Guidelines for employment and economic policies, the “European Semester” and the new economic governance.

#### **SOC/403 – CESE 1382/2011**

##### **European Disability Strategy 2010-2020**

A barrier-free Europe must be achieved by adopting a European Accessibility Act, i.e. strong and appropriate binding legislation to ensure persons with disabilities of their rights to freedom of movement and access to goods, services and the built environment. Appropriate and effective enforcement and monitoring mechanisms should be identified both at European and national level;

A European Disability Committee is needed to provide structured governance for the EDS and a stronger and more efficient mechanism to coordinate and monitor the European and national implementation of the Convention, pursuant to Article 33(1) of the UN Convention on the Rights of Persons with Disabilities (UN CRPD).

#### **SOC/385 – CESE 1174/2010**

##### **Green jobs**

It is extremely important to make the public aware of the need for a sustainable economic policy, providing accurate, timely information. A good example of support for public information is the Life+ programme which should be extended under the next Financial Framework (2014-2020) as well.

#### **SOC/360 – CESE 970/2009**

##### **The Social Dimension of the Internal Market**

The EU has an important role to play in the social field because social problems cannot be solved by Member States alone. In order to create political acceptance, solidarity and coherence, the EU should place greater emphasis on the social aspects in its policies;

In the short term the EESC calls for the posting of workers directive to be implemented more effectively. The idea of the creation of a “European Social Interpol” should be explored, supporting the activities of the Labour Inspectorates of the various Member States;

In the medium term, the right to strike, exempted from the internal market, might resolve some of the problems;

In the longer term, strengthening the social dimension requires that the fundamental social rights be strengthened and that any limitation of fundamental rights which includes social rights be very restrictive.

**SOC/356 – CESE 1940/2009**  
**Cross-border mobility for young people**

Reforming the current mobility programmes – Erasmus, Leonardo, Comenius, Grundtvig and Marie Curie – to simplify procedures and ensure that there are as few bureaucratic obstacles as possible.

**SOC/339 – CESE 1711/2009**  
**Social inclusion**

Using the open method of coordination to identify best practice in transitions from education/training to employment and transitions from household/civil activities to employment, and in tackling structural obstacles to labour market and social participation overall.

**SOC/237 – CESE 973/2006**  
**European social model**

In a condensed phrase, the hypothesis is that the European Social Model should provide an idea of a democratic, green, competitive, solidarity-based and socially inclusive welfare area for all citizens of Europe.

**SOC/236 – CESE 1173/2006**  
**Visible and effective European citizenship**

Put right particularly unjustified deficiencies in Europe:

- Re-start work on and adopt rapidly a European statute for associations;
- Do the same as regards a European statute for mutual societies;
- Create a simplified European statute open to SMEs;
- Implement the Community patent between the Member States which have ratified it;
- Remove all double taxation, at least in the eurozone;
- Ensure non-discriminatory portability of social security benefits.

Develop a more citizen-oriented governance of the Union, i.e.:

- Put right the media's failure to make people aware of Europe by encouraging best practices, with the support of a European audiovisual agency;
- Identify and justify publicly the reasons for proposals concerning European citizens' rights being blocked at the Council or withdrawn by the Commission;
- Promote socio-professional self-regulation and co-regulation in all areas of direct relevance to civil society;
- Set out the ground rules for a concept of European public service;
- Develop more interactive methods of providing information about Europe;
- Involve socio-professional players in the interventions of the Structural Funds on the ground.

**SOC/322 – CESE 966/1998**  
**Cost of poverty and social exclusion in Europe**

Reconcile the issue of subsidiarity in health care and the need for a consistent *modus operandi* for cross border treatment.



## 10. Single Market for capital and financial services

### Recommendations of the Monti Report

**Make sure that the structure of financial supervision is such as not to lead to fragmentation of the Single Market;**

**Explore the possibility of reinforcing financial integration through the issuance of e-bonds.**

### Recommendations of the EESC

**INT/518 – CESE 1164/2010**

**After the crisis: a new financial system for the Internal Market**

Speed up the reform process. A year and a half since the publication of the de Larosière recommendations, the EU decision-making process is not yet in its final stages. Unfortunately, governments have watered down the reform plan, ruling out, for example, the possibility of intervention by a European authority on cross-border financial institutions;

Greater transparency, particularly in identifying risks. OTC markets should not be open to bilateral transactions, but limited to central counterparty transactions, which by monitoring the overall level of risk can limit access to transactions for over-exposed parties. Such transactions should take place either on a single platform, or at least on a defined set of platforms, in order to increase market transparency;

Corporate social responsibility should permeate all activities and modi operandi in the financial sector;

More open and democratic governance of national and EU authorities, involving stakeholders in regulation and supervision and greater involvement of civil society in consultations and impact assessments. Recent Commission decisions on selecting expert groups have again focused solely on industry, without properly involving consumers and workers;

A serious policy on curbing bonuses, which should perhaps be awarded only where consistent above-average results are achieved in the medium term; staff incentives should be linked to responsible sales and not to banking product campaigns;

Removal from European legislation of references to ratings in respect of classifying investments and their coverage in risk funds, in line with the Basel II principles; national authorities should revise investment policy;

The rating of Member State sovereign debt should be carried out exclusively by a new independent European agency;

Taxation of certain financial activities, particularly those that are predominately speculative;

Develop integrated crisis management systems, including effective criteria for early warning, prevention and exiting the crisis. Reliable mutual accountability mechanisms need to be developed between Member State authorities.

#### **INT/496 – CESE 633/2010**

##### **Accessing consumer and household credit: abusive practices**

The creation of a single, transparent, complete regulatory framework for access to credit is essential. The Commission should look at the best way of removing the gaps in the current regulatory framework, particularly as regards credit products supplied, misleading advertising practices, transparency of conditions, credit intermediaries, information asymmetries and education of the parties concerned in financial matters;

The Member States to establish supervisory authorities for unfair commercial practices with specific powers in the area of credit;

Extend the European rapid alert system (RAPEX) to placing of toxic products on the European financial and credit market;

Establish a specific, comprehensive European rule governing the various types of credit intermediary, setting out definitions, requirements and behaviour obligations, irrespective of the product marketed and of whether the credit activity carried out is a primary or subsidiary activity;

Registration of the various financial and credit intermediaries in a European network of national registers to be defined on the basis of European operating standards covering professionalism, observance of prudential rules and ethics; these should include Community rules for striking off those using abusive or illegal practices, whose behaviour is detrimental to the consumer;

Introduce on the European market appropriate ranges of “certified” or “standardised” credit products to supplement existing products, in order to promote greater transparency and fair competition in terms of both practices and credit products supplied to consumers;

Launch a European information and training campaign that targets consumers, consumer associations and the professionals who assist them and covers consumers’ rights relating to credit and financial services;

Introduce a) common European procedures for dealing with situations of over-indebtedness, which must also serve as a basis for activation of public initiatives to support or help the people concerned and b) common procedures to promote national systems for combating usury, coordinated under a European regulatory framework.

#### **ECO/255 - CESE 1935/2009**

##### **The financial crisis and its impact on the real economy**

Adopt a system of rules that, whilst allowing the free movement of capital, also introduces a system of supervision and penalties to prevent any recurrence of the crisis;

Eliminate tax havens, banking secrecy and some of the perverse mechanisms of the past connected with speculative instruments;

Create a single European market for finance so as to ensure not only greater transparency, facilitation of transactions and adequate information for all operators, but also a supervisory system overseen by the ECB and the European system of central banks (ESCB-ECB).

## 11. Infrastructure

### Recommendations of the Monti Report

**Facilitate the combination of public-private partnerships with the use of structural Funds;**

**Examine whether an ad hoc European regulatory framework would be needed to encourage long term investors' focus on infrastructure projects;**

**Provide maximum legal security as regards competition policy in the area of infrastructure investment and financing.**

### Recommendations of the EESC

**TEN/412 – CESE 70/2010**

**European transport policy/Lisbon strategy and sustainable development**

Establish an ambitious research and development plan for transport and mobility (covering issues such as motoring, fuel, emissions reduction, energy efficiency);

Set up a forum for exchanging good practices in the field of urban and long-distance transport;

Develop park and ride schemes as well as public transport, particularly dedicated bus lanes and tram and metro lines;

Improve ICT as a tool for providing efficient, reliable and safe public transport;

Put in place genuine mobility management services covering sufficiently large geographical areas and tasked with ensuring fluidity and good connections between the various modes of transport;

Create local delivery zones and urban distribution centres in city centres;

maintaining rail facilities in urban areas;

Use taxation measures to promote transport means and technologies that are more energy efficient and emit less CO<sub>2</sub> and other pollutants;

Create safe and comfortable rest areas for professional drivers, improving their working conditions and their training;

Implement rail networks without delay giving priority to freight and the development of a genuine customer service culture in this particular domain;

Promote cars powered by alternative energy and third generation bio fuels, where necessary through appropriate taxation measures;

Launch a real European plan for the development of electric vehicles which puts the EU in a position to define or help define international standards in an emerging sector;

Develop the concept of "green ports" and establishing motorways of the sea;

Improve working conditions and vocational training for seafarers;

Develop inland waterway and inland-sea motorways and the introduction of new barges, adapted for the transport of semi-trailers and containers;

Take into account sustainability and environmental protection needs when selecting types of transport infrastructure;

Internalise external transport costs for all transport sectors to ensure that no single mode of transport loses out and to establish the true cost of transport services;

Public authorities should adopt realistic targets for cutting emissions of greenhouse gases and other pollutants and of sustainability objectives linked to local transport;

Take account of such objectives when designing public transport systems and choosing;

Systematically commission solid and realistic impact studies before carrying out any policies or measures that are proposed.

#### **ECO/245 – CESE 349/2009 Structural Fund changes**

The Commission should draw up proposals to resolve existing administrative and financial problems as regards Structural Fund management pertaining to levels of project pre-financing; excessive payment periods; the sustainability of the proposed projects; and the de minimis rules;

Administrative simplification sought to truly bring about a rapid release of available funds.

## **B. Building a consensus on a stronger Single Market**

### **1. Workers' rights and economic freedoms**

#### **Recommendations of the Monti Report**

**Clarify the implementation of the Posting of Workers Directive and strengthen dissemination of information on the rights and obligations of workers and companies, administrative cooperation and sanctions in the framework of free movement of persons and cross-border provision of services;**

**If measures are adopted to clarify the interpretation and application of the Posting of Workers Directive, introduce a provision to guarantee the right to strike modelled on Art. 2 of Council Regulation (EC) No 2679/98 and a mechanism for the informal solutions of labour disputes concerning the application of the directive.**

#### **Recommendations of the EESC**

##### **SOC /282 – CESE 995/2008 Posting of workers**

Make appropriate language arrangements both when providing information for the social partners who play a major role in the field and for the information exchange system between the Member States;

Maintain the obligation to keep social registers in the Member State in which the service is being provided.

## **SOC /360 – CESE 970/2010**

### **The Social Dimension of the Internal Market**

In the short term implement the Posting of Workers Directive more effectively and proposes exploring the idea of the creation of a “European Social Interpol”, supporting the activities of the Labour Inspectorates of the various Member States. Assess the situation in the EU in light of the ECHR’s recent judgements. Strengthen social dialogue, including:

- The promotion of a higher quality social dialogue and a European mechanism for dispute resolution and conciliation;
- Further development of the macroeconomic dialogue with a view to preventing another financial crisis;
- Promotion of the European social model in international relations;

In the medium term clarify the legal obligations for national authorities, business and workers when implementing the Posting of Workers Directive and which ensures that these rules are universally applicable. The proposal in the Monti report, where the right to strike is exempted from the Internal Market, might resolve some of the problems. This should, however, not exclude a partial revision of the Posting of Workers Directive in order to apply the place of work principle consistently, making it possible to establish by law that the same working and remuneration conditions must always apply for the same work at the same location;

In the longer term the European Union should strive to strengthen the social dimension and realise the full potential of the Internal Market. The Lisbon Treaty and the Charter of Fundamental Rights have not yet had their full impact on the balance between fundamental rights and economic rights. Strengthening the social dimension requires that the fundamental social rights be strengthened and that any limitation of fundamental rights which includes social rights be very restrictive. A Treaty change could be pursued to achieve this objective.

## **2. Predictability, flexibility and inclusivity**

### **Recommendations of the Monti Report**

**Further increase the flexibility of the State aid rules applicable to financial compensation; Review the procurement rules with a view to aligning them with the rules on compensation;**

**Present a proposal, possibly on the basis of Article 14 TFEU, for a regulation ensuring that all citizens are entitled to a number of basic banking services;**

**Examine the case for extending, possibly on the basis of Article 14 TFEU, universal service in electronic communications to the provision of broadband access;**

**Strengthen rights of air passengers.**

### **Recommendations of the EESC**

#### **TEN/353 – CESE 1915/2008**

##### **Ideas on the universal electronic communications service**

Extend the scope of universal service and making universal availability compulsory (within reasonable timeframes to be established, and within a multi-annual programme), DSL access with a minimum transmission speed of 2Mbps-10Mbps or mobile or wireless access (WIMAX, satellite, etc.) with similar transmission speeds;

Do not focus exclusively on geographic exclusion but also on the social exclusion that accompanies the lack of purchasing power or limited skills of certain user groups and that universal service should be expanded to ensure availability for all users regardless of their geographic, financial or social situation;

Support national and local digital inclusion projects as well as the micro-projects of communities and organisations that assist people experiencing difficulty in grasping technology tools. This would be done mainly through microfinance for local training projects, public internet access points and interactive internet kiosks in public areas offering free internet access;

Encourage Member States to provide financial support for families or people who would find the cost of basic equipment (computer, software, modem), access and service prohibitive;

Facilitate the financing of universal service via national public subsidies and EU funds, which is the only alternative for countries where operators would be unable to bear the financial burden of universal service;

The Commission should publish examples of best practices in the field on a regular basis.

#### **TEN/337 – CESE 1666/2008**

##### **Aviation security for passengers**

Introduce one legally binding common set of training hours as well as a compulsory training package for security staff in all 27 Member States;

The European Commission should take initiative with regards to the compensation of victims of criminal acts, such as terrorist attacks, in the field of aviation;

Measures should promote the recognition and professional development of careers in security;

Measures should avoid redundant security checks by implementing the concept of One-Stop Security across the EU. Promote the recognition of third countries' security measures;

Create a central register of approved suppliers on the basis of the independent assessment of technologies and requirements for technologies by the European Commission.

## **3. Public procurement**

### **Recommendations of the Monti Report**

**Re-think public procurement policy to make it simpler, more effective and less onerous for national and local authorities; Strengthen SMEs participation by applying the Small business Act Code of Conduct;**

**Clarify the rules applicable to “in-house” provision;**

**Make public procurement work for innovation, green growth and social inclusion by imposing specific mandatory requirements.**

## **Recommendations of the EESC**

### **INT/394 – CESE 979/2008**

#### **International public procurement**

Gradual and reciprocal abandonment of “tied-aid” systems based on effectiveness and transparency;

More transparency and modern methods of procurement and notification of tenders;

Oppose to any moves to raise the thresholds of the European directives which provide safeguards for transparency;

No quota system for SMEs like that applied under the US Small Business Act. Design a “roadmap” for European SMEs/VSEs, accompanied by information systems that draw on SMEs as natural relay points, and including concrete initiatives, a timetable and a multi-annual budget and channelled towards encouraging innovation and business start-ups, particularly in the key areas of energy efficiency and protection of the environment;

Apply the principle of “putting the smallest first”, for example, by establishing one-stop procedures for cutting red tape.

### **INT/290 - CESE 275/2006**

#### **Public Procurement in the EU**

Cut down exorbitant fees, which SMEs are charged e.g. for tender documents.

### **INT/570 – CESE 1162/2011**

#### **Towards a more efficient European Procurement Market**

Maintain the difference between A and B Services under the condition of legal certainty and the possible extension of cross-border contracts of B Services. It recommends a periodic review of the list of B Services by the Commission to examine whether some B Services could, with advantage, be shifted to A Services.

### **INT/554 – CESE 1158/2011**

#### **e-Procurement**

Benchmarking and exchange of good practices is the holistic implementation approach to e-procurement adopted by Portugal – which merits commendation;

E-procurement architecture should be interoperable and based on open standards and open source software.

#### **CCMI/082 – CESE 247/2011**

##### **Third country State-owned enterprises in EU public procurement markets**

Level playing field for contracting enterprises, based on reciprocity with third country enterprises that respect the key principles of international public procurement excludes for the time being public contracts financed with European funds from the GPA in respect of enterprises from countries still implementing national protection measures.

## **4. Taxation**

#### **Recommendations of the Monti Report**

**Further work on the elimination of tax barriers within the Single Market, modernising e-invoicing rules, updating rules on cross border relief, introducing a binding dispute settlement mechanism covering double taxation suffered by individuals and reviewing the savings directive;**

**Work towards a common definition of the corporate tax bases and move forward with the work of the code of conduct group on business taxation;**

**Reform VAT rules in a Single Market-friendly way;**

**Develop the area of environmental taxation in the broader context of tax policy and their impact on growth and employment;**

**Agree on the establishment, at the initiative of the Commission, of a Tax Policy Group chaired by the Commissioner in charge of taxation and composed of personal representatives of the Member States Finance Ministers as a forum for strategic and comprehensive discussion of tax policy issues.**

#### **Recommendations of the EESC**

##### **ECO/242 – CESE 242/2009**

##### **Taxation of savings income**

Revise the Savings directive as it induces administrative and legal complications while its provisions are complex and difficult to implement;

Avoid a situation where the new rules are to be applied unilaterally by the EU.

##### **ECO/254 – CESE 1039/2009**

##### **VAT/Rules on invoicing**

Do not give other Member States' authorities access to the invoices stored electronically by operators as this goes well beyond the principles of administrative co-operation and is not legally tenable.

##### **CCMI/044 – CESE 1708/2007**

##### **Territoriality of tax law**

Coordinate tax provisions across the various governments to strengthen the operation of the Internal Market by eliminating tax dysfunctions and compliance costs, particularly in border regions;

Introduce a common consolidated corporate tax base (CCCTB) in a bid to simplify and render more equitable and transparent tax practices across the Member States.



**ECO/185 – CESE 83/2007**  
**Improving the operation of taxation systems in the Internal Market**  
**(Fiscalis 2013)**

Clarify certain aspects surrounding the provision of data to public bodies other than tax authorities: the conditions and arrangements for access to data by these bodies give some cause for concern, in particular as regards privacy.

**ECO/187 – CESE 406/2007**  
**The fight against fiscal fraud**

Incorporate the achievements of some Member States into Community law, introducing the “normal market value” criterion for anti-fraud purposes;

Harmonise the provisions of Directive 77/799/EEC with existing provisions concerning indirect taxation as well as standardising the various VAT systems.

**ECO/200 – CESE 1260/2007**  
**Tax incentives R&D**

Member States should explore ways in which state imposed costs can be lowered for young R&D businesses following the example of the very successful French Young Innovative Enterprise (YIE) regime;

Member States should develop a common approach so that both donations and research funds can flow freely within the EU;

The cross border mobility of researchers should be encouraged by Member State agreements to prevent double taxation on short term assignments;

## 5. Competitiveness and cohesion

### Recommendations of the Monti Report

**Evaluate the potential impact on EU regions of the relaunch of the Single Market;**

**introduce a conditionality clause in Structural Funds to reward the Member States most disciplined in transposing Single Market directives;**

**Tighten up rules preventing the use of structural funds in support of company re-location. Tighten up rules preventing the use of structural funds in support of company re-location.**

### **Recommendations of the EESC**

**ECO/245 – CESE 349/2009**

#### **Structural Fund changes**

Administrative simplification of Community legislation so as to adapt it to real needs on the ground as well as a rapid release of available funds;

Resolve existing administrative and financial problems as regards Structural Fund management esp. in relation to project pre-financing, excessive payment periods, sustainability of proposed projects and minimum rules.

**INT/452 – CESE 865/2009**

#### **Legislative barriers to competitiveness**

EU legislation has not yet brought about an effective functioning of the Internal Market in important fields, such as finance and energy. Given the current situation, an effective legal framework for the financial sector is urgently needed;

Continuous firm commitment of the Council and the Member States against protectionism and market fragmentation;

Learn from the crisis what regulations and financial measures need to be put in place in order to achieve a long term sustainable development;

Better lawmaking and all related initiatives at EU level, the quality of correct transposition and enforcement in the Member States and at regional level are of paramount importance;

Reduce unjustified administrative burdens and enhance the recognition of professional qualifications;

The lifting of legal barriers, and the way it is realised, requires, especially today, a better communication strategy at EU level and in the Member States;

Lifting legal barriers, better lawmaking and agreed framework conditions within the EU will also underpin the position of the EU in negotiations with other trading blocks, in the WTO and in the Doha-round.

## **6. Industrial policy**

### **Recommendations of the Monti Report**

**Review merger regulation abolishing the so called “two-thirds rule”;**

**Develop a new approach to industrial policy which builds on a mutually reinforcing relation with Single Market and competition rules.**

### **Recommendations of the EESC**

**INT/288 – CESE 595/2006**

#### **Modern industrial policy**

It is essential that the social partners can reach agreements on industry change and innovation, as is already the case in some Member States.

**ECO/203 – CESE 710/2007**  
**Economic policies and industrial strategy**

The European Investment Bank must make a significant contribution to economic and social cohesion and bolster industrial development through incentives for research and development;

One way of combating the decline in manufacturing and company relocation would be to relaunch the European industrial model;

One way to improve links between business and education is to develop Business Parks on university campuses; another would be to bolster the role of European centres of excellence and, in other respects, the role of the European Technology Institute.

**INT/441 – CESE 618/2009**  
**2007 report on competition policy**

New areas within the field of competition policy should be explored, moving beyond the traditional approach to the matter, which is important but somewhat limited;

Inadequate (and in some cases even lax) regulation/supervision in sectors of strategic importance not only create unacceptable systemic imbalances and risks; they also affect healthy competition, protect wrongdoers and are enormously damaging to society as a whole;

Assessment of the options to ensure better coordination (and the creation of appropriate instruments) with the other EU policies in order to prevent unfair competition at the domestic level, arising from differences in businesses' size, location and tax environment;

The European Union should also vigorously enforce WTO rules against government export subsidies, and against other government policies which distort competition and deprive EU companies of market access.

**INT/509 – CESE 445/2010**  
**Innovation policy**

Specific measures under the Small Business Act (SBA) such as promoting a "second stock market" in Europe and tax breaks for individuals investing in innovation, as well as encouraging profit-sharing for employees should be taken;

Along the same lines as the "ambassadors for entrepreneurship amongst women" initiative, the EESC proposes creating a network of "ambassadors for young entrepreneurs" with the support of the European institutions.

**CCMI/077 – CESE 983/2010**  
**The impact of industrial change on employment**

Establishing a dedicated European fund to support industrial change and, more specifically, research, development and the application of green technology, whether renewable energy technologies or new technologies that enable an effective reduction in emissions from energy-hungry industries.

**CCMI/081 – CESE 1596/2010**  
**External dimension of the EU industrial policy**

Implementing the Single Market must be pursued and stepped up, including through the creation of European contract law for companies, based on a Regulation, containing a new, advanced scheme which companies can draw on, on an optional basis, in their cross-border contracts.

## 7. The external dimension of the Single Market

### **Recommendations of the Monti Report**

**Promote a pro-active market access agenda in the G20 and other multilateral fora, with a specific focus on subsidies;**

**Press for the introduction in bilateral Foreign Trade Agreements of provisions on subsidies;**

**Press for greater opening of public procurement markets, in particular in the BRICs.**

### **Recommendations of the Herzog Report**

**European industry not competitive enough given that Europe represents 34% of the global market but only 23% of production;**

**Not enough students studying the sciences and technology subjects;**

**The variations in taxation continue to fragment the automobile market while there is still no harmonisation in national aid programmes for renewable energies. These issues have to be addressed for the European economies to be able to grow together;**

**Europe needs to be able to pool its resources for strategic programmes to compete with the US, Japan and other emerging economies;**

**Implement a joint surveillance of discrepancies in competitiveness;**

**Renovated industrial policies (see Europe 2020) should target a better use of capital, raw materials and equipments (recycling, infrastructure and information).**

**With the exception of Germany, no EU country is capable of a strong foreign economic policy. The EU states therefore need to pool together in order to have a foreign economic policy comparable to other major economies;**

**The EU currently has no common policy of incentives for internal investments. This can work as a handicap for and against certain Member States in attracting investment; Europe currently has no oil policy and its gas policy is inferior to many other economies.**

### **Recommendations of the EESC**

**INT/381 – CESE 481/2008**

#### **The future of the Single Market – going global**

Europe's economic success has not been built on protectionism but on the four freedoms on which the original European Economic Community was constructed;

The EU should be wary of falling into the American trap of subsidising the production of biofuels;

Social partners must be closely involved in the design and implementation of the "flexicurity" policy measures at national level.

**INT/409 – CESE 1502/2008**  
**A Single Market for 21st century Europe**

The European Globalisation Fund is an important instrument of solidarity that will provide specific help to workers made redundant as a result of changing global trade patterns to find another job. This scheme should also be available to the self employed who will be vulnerable to the same changes;

European Standardisation Organisations such as CEN, CENELEC and ETSI in cooperation with advisory organisations, such as NORMAPME<sup>6</sup>, should ensure that such standards are accessible to all businesses particularly small businesses, across the EU and developing countries;

Achieve improved regulatory cooperation, equivalence and convergence internationally. "One test, one standard, accepted everywhere" should be the long-term goal;

Excessive burdens on EU companies will not be compensated for by international acceptance of EU norms;

The benchmarking of EU regulation against international best practice particularly with that of the main trading partners of the EU should be systematically included in impact assessments;

The EU should be open to regulatory co-operation with important trading partners;

More focus on bilateral agreements and networks among international regulators.

**REX/228 – CESE 804/2007**  
**The challenges and opportunities for the EU in the context of globalisation**

Contribute more forcefully to the establishment of a "state governed by the rule of law" which takes account of realities, without engaging in otherworldliness;

Promote regional integration - whilst preserving cultural diversity. Globalisation would undoubtedly be easier to regulate if the EU were to manage to persuade more countries to follow its example;

Regional integration is also undoubtedly one of the keys to the future for the most vulnerable regions in the world, for which confined markets represent an insuperable handicap and which are at present unable to make their voice heard;

In the field of international trade relations, bilateral approaches are beneficial only insofar as they are complementary to the multilateralism pursued by the WTO;

Make a careful assessment of the impact of any new trade concession, to make better use of trade defence instruments, in particular to defend the interests of EU manufacturers, and to promote joint actions in markets outside the EU;

A number of steps are already long overdue, namely fully achieving the Internal Market, dismantling barriers separating networks of education and research and establishing new common policies, in particular in the fields of energy, the environment and research;

Having recourse to organised civil society, its organisations and institutions, such as the EESC, would allow achieving greater popular involvement, whilst at the same time supporting the dialogue between civilisations at global level.

## C. Delivering a stronger Single Market

### 1. Regulating

#### Recommendations of the Monti Report

**Use regulations rather than directives when possible;**

**Use the 28th regime as an ad hoc solution where appropriate.**

#### Recommendations of the Grech Report

**EU Member States and regional authorities must take real ownership of the single European market;**

**Member States are still failing to apply and enforce Single Market legislation;**

**The EU has to introduce coherent policies to remove direct and indirect obstacles to the proper functioning of the Internal Market.**

#### Recommendations of the EESC

**INT/489 – CESE 78/2010**

##### **Better Regulation**

Make rules simple, workable and less costly for users and taxpayers;

Promote swift and effective decisions, effective implementation, and procedures should be monitored to ensure full accountability;

Consultations - through broad civil society involvement at all levels of regulatory activity - should follow transparent priorities and be authentic, inclusive, and consequential;

A shift from Directives to Regulations would greatly improve transparency, implementation and enforcement. Many regulatory problems take place during transposition into national law;

The Commission should address Better Regulation in the use and administration of European funds by Member States, especially by avoiding unnecessary or undue national rules and administrative procedures that hinder the proper and swift allocation of such resources;

**INT/265 – CESE 1068/2005**

##### **Better lawmaking**

Less lawmaking, combating legislative inflation and simplifying the acquis since too much legislation makes the law difficult to understand, thus creating barriers to trade; it also means ensuring that implementation of the rules will be effective and simple;

Participatory approach, involving preliminary consultation and taking account of the representative nature of civil society organisations and social partners - the groups directly affected by legislation - and constructively employing the resources and expertise of consultative institutions;

Reduce legislation to its essentials and concentrate on the objectives. Designing flexible, adaptable legislation that is sufficiently durable and that also requires a disciplined approach and, above all, consistency in drafting and implementation;

Reduce the complexity of the law as much as possible. This does not necessarily have to mean a drastic cut-back in the body of Community law or deregulation, which would run counter to civil society's expectations regarding security and the need, voiced by business, particularly SMEs, for legal certainty and stability;

How to improve the quality of Community legislation:

- Define the objectives of the legislation;
- Prioritise the objectives and define priorities via sectoral or horizontal measures;
- Draw up a medium-term plan (timetable, work plan) for achieving the objectives set;
- Identify the most appropriate legal act for achieving the objectives;
- Carry out preliminary impact studies on all aspects of the proposed law;
- Consider alternative forms of regulation that directly involve those affected by the legislation<sup>7</sup>.

Set up an early warning system involving national civil society organisations and those affected by the legislation;

Use the EESC as a single contact point for civil society organisations, i.e. organised users of community law.

#### **INT/499 – CESE 758/2010**

##### **The 28th regime – less lawmaking**

An optional regime could be adopted as an alternative to the traditional way of harmonising legislation in specific areas, thereby fully regulating certain kinds of legal relationships, namely civil contracts;

The optional regime should therefore:

- a) be conceived as a "2nd Regime" in each Member State, thus providing parties with an option between two regimes of domestic contract law;
- b) be defined at EU level and enacted by EU regulations;
- c) facilitate interaction between parties in the drafting process;
- d) contain provisions of mandatory law ensuring a high level of protection for the weaker party, at least similar to those granted by the EU or national mandatory rules, applicable whenever necessary;
- e) limit the option of the parties to a choice of the entire instrument thus avoiding the possibility of "cherry-picking".

In their ex ante Impact Assessments either the Commission or the EP should consider the "option" of adopting a 28th regime for each new legislative initiative; the same evaluation should apply to proposals already in preparation, starting with the on going revision of the "Package Travel" Directive.

## **INT/415 – CESE 1905/2008**

### **The proactive law approach**

Give up the centuries-old reactive approach to law and to adopt a proactive approach. It is time to look at law in a different way: to look forward rather than back, to focus on how the law is used and operates in everyday life and how it is received in the community it seeks to regulate;

Encourage self-regulation and co-regulation, taking due account of the fundamental principles of subsidiarity, proportionality, precaution and sustainability;

Shift the focus from inward, from inside the legal system, rules and institutions, to outward, to the users of the law: to society, citizens and businesses that the legal system is intended to serve;

The Proactive Law approach should be considered systematically in all lawmaking and implementation within the EU;

Producing operationally efficient rules that reflect real-life needs and are implemented in such a manner that the ultimate objectives of those rules are accomplished;

We can anticipate some consequences of this approach – including practical ones:

- The active and effective participation, rather than mere consultation, of stakeholders before and during the drafting of any proposals and throughout the decision-making process;
- Impact assessments would take into consideration not only economic but also social and ethical aspects; not only the business environment but also consumers, not only the opinions of organised civil society, but also the voice of the anonymous citizen;
- Anticipating solutions rather than problems, and using the law to achieve and enforce goals and to make rights and freedoms a reality in a given cultural context;
- Drafting laws as straightforwardly as possible and as closely as possible to their users, ensuring that the language used is readily comprehensible and straightforward;
- Eliminating redundant, inconsistent, outdated and non-applicable laws, and harmonising the understanding of terms, definitions, descriptions, limitations and interpretations into common frames of reference;
- Pressing for the introduction of new areas of contractual freedom, self-regulation and co-regulation and areas which may be covered by standards or codes of conduct at national and European level;
- focusing on the “model laws” approach to legislating (“28th regimes”) rather than on overly detailed and unnecessary total harmonisation.

## **2. Enforcement**

### **Recommendations of the Monti Report**

**Set out a benchmark for the maximum average duration of infringement procedures, limiting to 6 months procedures for non notification and 12 months for all other infringement procedures;**

**Explore how to align the Commission infringement powers to those it has under competition policy;**

**Amend the Procedural Regulation on State aid to modernise the procedure and strengthen the investigative powers of the Commission, bringing them in line with those in the fields of mergers and antitrust.**



### **Recommendations of the EESC INT/262 – CESE 1069/2005**

How to improve the implementation and enforcement of EU legislation

Closer co-operation between national and Community authorities (see e.g. the IMI system<sup>8</sup> for the monitoring of the implementation of the Services directive and the directive of professional qualifications);

Involvement of sub-national authorities;

Systematically identify best practices that can be adopted by national authorities;

Introduce reciprocal responsibility towards counterpart authorities in other Member States, similar to the UK Panel for Regulatory Accountability;

Promote the training of officials, judges and ombudsmen in Member States.

### **INT/492 – CESE 632/2010 Monitoring the application of Community law**

Problem-solving mechanisms - such as SOLMIT, IMI, the information exchange system in the context of posting workers and EU PILOT - are good opportunities to reduce the Commission's workload when dealing with infringement procedures;

Improve the way in which civil society and the public are provided with information on the various complaint mechanisms available via the Europa portal;

For a law to be enforceable it must be sufficiently clear, and to be effective it must provide an appropriate response to specific problems;

## **3. Member States compliance**

### **Recommendations of the Monti Report**

**Strengthen preventive action by shaping enforcement-friendly regulation based on impact assessment, introducing systematically correlation tables and stepping up technical assistance to national administrations;**

**Create Single Market desks within Representation offices with the task of pre-screening conformity between Single Market legislation and national implementing rules and to liaise with national administrations responsible for implementation;**

**Extend Mutual Evaluation Process to new legislative initiatives;**

**Integrate the ex post evaluation of the implementation situation in a given sector into Market Monitoring analysis;**

**Select every year one or more EU laws for screening by the EP through a process involving input from national Parliaments and the COSAC.**

#### **Recommendations of the Herzog Report**

**The Single Market needs better systems of regulation but changes have to be made to the models of management in general;**

**New tools must be mobilised to encourage economic integration and cooperation; Education is the most important issue. The Single Market cannot succeed unless the negative perception of the market is forgotten;**

**States such as Germany and France still need to be convinced of the benefits of the rules of the market.**

#### **Recommendations of the EESC**

**INT/481 – CESE 1076/2009**

**Delivering the benefits of the Single Market through enhanced administrative co-operation**

Extend the scope of IMI to other sectors, it would be helpful if the Commission were to define a possible specific warning and/or penalty system to remove obstacles;

**INT/492 – CESE 632/2010**

**Monitoring the application of Community Law (2007)**

Draw up “easier to transpose” Community legislation;

establishing an accurate and constantly updated correlation table from the outset;

Allow transposition by means of a specific reference to prescriptive or explicit provisions in a Directive;

Improve the management of infringement procedures, especially on how the Commission implements this accelerated process to follow up on late transposition.

**INT/332 – CESE 89/2007**

**Review of the Single Market**

The SOLVIT dispute resolution network definitely needs more resources and personnel in the Member States;

In view of the widespread ignorance of the existence of the SOLVIT network, a structured publicity campaign must be conducted.

## **4. Networking**

#### **Recommendations of the Monti Report**

**Extend the EU Pilot scheme to all 27 Member States and step up the SOLVIT system ensuring EU co-funding and a clearer legal basis;**

**Step up administrative co-operation by extending the IMI system to other areas of legislation; In the long term, establish an EU network of alternative dispute resolution centres.**

#### **Recommendations of the Grech Report**

**The Commission should forge a partnership among all the stakeholders involved in shaping, implementing and enforcing such legislation, using new mechanisms such as the proposed annual Single Market Forum;**

**The mutual cooperation procedure envisaged in the Services Directive should be considered to the transportation and enforcement of Single Market rules;**

**The Commission should pay greater attention to the systematic evaluation and simplification of existing Single Market legislation;**

**There needs to be a greater level of co-operation between all the EU institutions and Member States in the exchange of best practice and rule enforcement;**

**The Commission should give more assistance to Member States and their regions to ensure their proper compliance with EU standards.**

#### **Recommendations of the EESC**

**INT/311 – CESE 1564/2006**

##### **EU/National administration linkages**

Continuous (comparative) study on national administrative practices and procedures;

Well-defined and effective national political and administrative procedures in Member States are, together with better lawmaking and implementation and enforcement, an integral part of EU good governance;

Member States should finally integrate EU law and policy as a political and administrative layer in domestic policy-making. This would lead to a long overdue coordination between Member States, incl. the necessary interconnection between national and regional authorities;

Effective coordination mechanism among the ministries in Member States<sup>9</sup>;

Assess the adjustment and improvement of national procedures in relationship with European-level procedures and the EU priorities of better lawmaking and implementation and enforcement of EU law;

## **5. Private enforcement**

#### **Recommendations of the Monti Report**

**Step up EU law training initiatives for judges and legal professionals in partnership with Member States;**

**Adopt minimum standards on the right to compensation for damages.**

#### **Recommendations of the EESC**

**INT/262 – CESE 1069/2005**

##### **How to improve the implementation and enforcement of EU legislation**

Promote the training of officials, judges and ombudsmen in Member States.

**INT/429 – CESE 611/2009**

##### **White paper - Breach of antitrust rules**

Access to effective judicial protection is a fundamental right laid down in the European Charter of Fundamental Rights;

Need to promote people's access to such protection, in particular when it comes to securing compensation for breaches of antitrust rules, which harm not only competitors who play the game fairly, but also consumers, SMEs and employees of the companies involved, in that their jobs and purchasing power are jeopardised;

Need for more effective means allowing victims of breaches of antitrust rules to receive full compensation for the damage suffered, in line with ECJ case-law.

A balanced system that pays attention to the interests of all is essential for society as a whole.

<sup>9</sup> The IMI (Internal Market Information System) and SOLVIT are two practical examples of this.

## Appendix I

Summary of the EESC recommendations on the Single Market Act (CESE 525/2011), on the Twelve Levers (CESE 1583/2011) and on Key actions towards a Single Market Act II (CESE .../2012)

Both opinions were drafted within the Single Market Observatory (SMO) by the same members: **Benedicte FEDERSPIEL** (Group III, Various Interests – Denmark), **Ivan VOLEŠ** (Group I, Employers – Czech Republic) and **Martin SIECKER** (Group II, Employees – Netherlands). To enlarge the debate on these opinions, the SMO has organised public hearings in the Member States involving civil society organisations and other representatives (incl. the public hand and the national Economic and Social Councils). Opinion CESE 525/2011 was discussed on 21 February 2011 in Budapest (Hungary) and opinion CESE 1583/2011 was discussed on 12 September 2011 in Bucharest (Romania).

### EESC opinion on the Single Market Act (CESE 525/2011)

[http://eescopinions.eesc.europa.eu/EESCopinionDocument.aspx?identifier=ces\int\int548\ces525-2011\\_ac.doc&language=EN](http://eescopinions.eesc.europa.eu/EESCopinionDocument.aspx?identifier=ces\int\int548\ces525-2011_ac.doc&language=EN)

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2010:0608:REV1:EN:PDF#page=2>

#### The Charter of Fundamental Rights as an integral part of the Single Market (29<sup>10</sup>)

Full integration of the Charter in the Single Market and to invite those Member States that have an opt-out to adopt it.

#### Services (4 and 43)

Safety, better quality and affordability of services for consumers and businesses. Improve the implementation of the Services directive, to develop the activities of the single points of contact and to enlarge the provision of information translated into other languages while improving administrative cooperation between Member States and raising awareness about the possibility of providing cross-border services.

#### Retail financial services (40, 41)

Improve access to basic banking services as well as transparency and comparability of bank charges.

#### Services of General Interest - SGI (25)

Keep up quality standards and accessibility including easy switching to increase competition. The EU should develop expertise in its ability to assess the impact of all the Single Market initiatives and other EU initiatives on public services, in conformity with the SGI protocol.

#### Sustainable development (10, 11 and 27)

The development of the so-called “smart metering” to raise awareness of consumption patterns and the associated costs requires further regulatory action to ensure the quick uptake of new technologies and greater efficiency through competition in energy services.

Small and medium-sized enterprises and other legal forms of entrepreneurship<sup>11</sup> (12, 13, 14 and 37) The Commission and Member States must take the necessary steps to ensure that the European Association Statute also becomes a reality.

#### Competitiveness (19, 20 and 21)

The fast implementation of Common Consolidated Corporate Tax Base (CCCTB) and the revision of the VAT directives should improve cross-border activities of companies.

#### Standardisation (6)

greater involvement of consumers and SMEs. Standards should not be dictated by specific players. The EU standards have to play a much bigger role in global trade and should be promoted in the forthcoming trade negotiations at bilateral and multilateral level.

<sup>10</sup> Priority measures in the Commission communication COM(2011) 608 final.

<sup>11</sup> The concept of SMEs and the reference to businesses must be expanded to include all forms of access on the Single Market, be it profit or non-profit. This to give a more complete and nuanced understanding of the single market with its diversity of actors. Any measure in the area of SMEs is equally relevant for all types of social economy actors, such as the need to cut red tape, remove barriers and unnecessary administrative burdens.

### **Digital Single Market (2, 5 and 22)**

Remedy the fragmentation of the Single Market characterized by the absence of the harmonization of rules, a lack of interoperability of information systems and unsolved IPR issues. This would contribute to enlarging the scope of activities of businesses, increasing the choice of products and services to customers and improving the satisfaction of citizens with the functioning of the Single Market without hampering consumer protection.

The creation of a genuine digital Single Market must be based on the mutual recognition of for instance e-signatures, e-certificates, e-authentication and e-forms<sup>12</sup> the Single Market Act is not pro-active enough on copyright clearance and management by facilitating pan-European content licensing and developing EU-wide copyright rules.

Corporate Governance and workers involvement (36, 37, 38) Improve the transparency of information provided by business on social and environmental matters and human rights.

Free movement of workers and the economic freedoms (30) Contradictions in the applications of the directive should be clarified and Member States' competence to enforce their labour standards and industrial relations systems, including the crucial role of collective bargaining in the different forms, should be properly defined.

### **Public procurement legislation (17)**

It should be considered to which extent EU public procurement markets can sustainably remain open whilst third countries maintain an unlevel playing field.

### **External dimension (24)**

The external dimension of the Internal Market and the application of fair trade rules are crucial not only for the competitiveness of firms, but also to defend our social and environmental model from distorted competition.

### **Access to justice/Collective redress (46)**

the forthcoming legislative proposal on Alternative Dispute Resolution (ADR) does not in itself offer any guarantee that proposals will be presented in good time, or that they will ensure the effective implementation of properly designed and efficient mechanisms providing a mindful set of tools for consumers and businesses, avoiding unjustified litigation.

## **EESC opinion on the Twelve Levers (CESE 1583/2011)**

[http://eescopinions.eesc.europa.eu/EESCopinionDocument.aspx?identifier=ces\int\int582\ces1583-2011\\_ac.doc&language=EN](http://eescopinions.eesc.europa.eu/EESCopinionDocument.aspx?identifier=ces\int\int582\ces1583-2011_ac.doc&language=EN)

[http://ec.europa.eu/internal\\_market/smact/docs/20110413-communication\\_en.pdf](http://ec.europa.eu/internal_market/smact/docs/20110413-communication_en.pdf)

### **Actions for SMEs**

The proposals will not be sufficient to address the more general restricted access to financing many SMEs face across Europe in the aftermath of the crisis. The effect of Basel III on the banks' willingness to finance SMEs should be assessed. The role of Small Business Act should not be underestimated. The principle of "think small first" should therefore be applied in every

<sup>12</sup> This was the subject of one of the winning "Tell us your story" video clips presented at the Single Market Forum in Krakow, 02-04.10.2011 (<http://www.tellusyourstory.eu/>).

legislative proposal, whose effects on SMEs and micro/family businesses should be screened ex ante. Implementation and its monitoring should be considered a priority for EU SME policy.

### **Mobility for citizens**

- Reducing the number of regulated profession: A systematic screening should be conducted on the need for regulated professions to stay regulated respecting new labour market needs.
- The idea of a European Professional Card needs to be explored further (automatic recognition by the competent authorities, who should be able to issue these cards in the first place).
- Updating of minimum training standards should be based on the outcome in terms of skills and competences rather than on hours spent in the school.
- To ensure co-existence of the general system of the professional qualifications Directive on the one hand and EQF<sup>13</sup> and the other transparency tools of the Bologna and Copenhagen process.

Until a full harmonisation among the 27 Member States is reached, enhanced cooperation could be envisaged.

### **Intellectual Property Rights (IPR)**

The legal framework needs to be clarified and legal sanctions and enforcement need to be proportionate.

### **Consumer empowerment**

Design a collective redress mechanism which operates both nationally and across borders and is accessible to all consumers within the Single Market. Uniform application of assistance mechanisms is crucial since passengers are not treated equally in the EU as enforcement varies considerably; as does the interpretation of present rules and regulations.

### **Services**

The Commission's conclusions on the impact of the Services Directive and on the functioning of the services sector are premature as the directive has been in force for only a few years.

### **Networks**

Member States must retain freedom of choice as to the type of energy they opt for. Set up a European consultative committee on energy and climate change.

Explicit consideration to be given to so called neighbourhood policy with further connections to the eastern and southern neighbours of the EU. The Commission and the Member States should focus above all on the network rather than on individual infrastructure projects.

### **The digital Single Market**

Net neutrality must be recognised as one of major principles in the digital Single Market. Develop an ambitious Action Plan for the development of e-commerce with the consumer at its heart to create an online EU market place where consumers can feel protected and safe, knowing how to access support for their rights if infringements occur.

A functioning Digital Single Market must entail that consumers and business experience a removal of those barriers based on nationality/residence.

### **Social entrepreneurship**

Consider whether a legislative intervention to facilitate cross-border operations of existing Foundations may be a complementary avenue to pursue, given the low uptake of the existing precedents such as the Statute for a European Cooperative Society and the Statute for a European Company.

### **Taxation**

Introduce a carbon tax that ought to be based on consumption rather than on production to complement the Emission Trading System (ETS) and the Energy Efficiency Plan (EEP).

The proposed financial transaction tax should also help to address some of the unsustainable risk-taking in that sector.

### **Social cohesion**

Contradictions in the applications of the directive should be clarified and Member States' competence to enforce their labour standards and industrial relations systems, including the crucial role of collective bargaining in the different forms, should be properly defined.

Any review of the existing legislation or any new legislative act should be based on consultation with the social partners and on the balance between high labour standards and economic freedoms, as well as addressing problems caused by black labour markets.

### **Business environment**

The proposed simplification of the accounting directive should be only one part of a comprehensive review of unnecessary regulatory burden that the European enterprises have to face making them less competitive on the global market.

A common EU approach can also reduce administrative burden if it replaces 27 differing national approaches.

### **Public procurement**

Attention must be paid to ensuring that corruption and misuse of public funds in procurement processes is addressed across the EU. At the very least, more should be done to build capacity in public administration to apply public procurement rules in a consistent way. Promote more widespread use of the code of conduct by public authorities to make procurement more SME friendly.

The review of the EU public procurement directives should allow for full exploitation of the current framework for the integration of social and environmental criteria into public contracts.

## **EESC exploratory opinion "Key actions towards a Single Market Act II" (CESE 1547/2012)**

[http://eescopinions.eesc.europa.eu/EESCopinionDocument.aspx?identifier=ces\int\int648\ces1575-2012\\_ac.doc&language=EN](http://eescopinions.eesc.europa.eu/EESCopinionDocument.aspx?identifier=ces\int\int648\ces1575-2012_ac.doc&language=EN)

### **Actions for SMEs**

The Commission should provide guidance to all stakeholders on good practice in combining and leveraging financial instruments from different sources;

Establishment of a permanent European Central Guarantee Fund (ECGF) for loans and equity, which could be managed by the EIF combining public and private funding;

Negotiations with Member States on the future structural funds should take into consideration the need for the creation of financial instruments supporting guarantees for SME loans.

### **Mobility for citizens**

Stimulate regional cooperation in the field of professional qualifications and promote joint cross border vocational training;

Regarding the portability of pension rights, the White Paper on pensions (February 2012) is too much focusing on improvement of individual third pillar pensions. First and second pillar schemes need to be improved in order to guarantee structural benefits also for people moving throughout Europe.

### **Intellectual Property Rights (IPR)**

The IPR legal framework needs to be clarified and legal sanctions and enforcement need to be proportionate: individual consumers who might infringe IPR inadvertently and/or at a small scale for their personal consumption may have to be treated differently from large/commercial scale criminal activity.

### **Consumer empowerment**

Any legislative proposal on collective redress, advocated by the EESC, must lead to a collective redress mechanism, which operates both nationally and across borders and is accessible to all consumers within the Single Market;

Regulatory measures to achieve an integrated Single Market for cards, Internet and mobile payments;

With regards to product safety rules, the Committee calls for the application of the basic principles of the life cycle philosophy and of the promotion of the cradle to grave approach.

### **Services**

The Committee calls for regulatory measures on basic payment accounts, on transparency of fees and on easy switching of accounts;

Parcel delivery, especially in e-commerce, and cross-border insolvency proceedings are further priorities;

Include measures to consolidate the operation of the Single European Payments Area (SEPA).

### **Networks**

Absolute priority should be given to the general implementation of the European signalling and traffic management system in conjunction with the European Train Control System (ETCS);

The development of SESAR needs to be addressed: a) ensure the synchronised deployment of airborne and ground infrastructure upgrades; b) secure timely and adequate financial resources for SESAR deployment; c) establish the right governance for the deployment of SESAR. It should also be open to SMEs;

Swift revision of Regulation (EC) No 261/2004 to modernise passenger rights in respect to overbooking, delays and also to package holidays;

A European policy for seaports does not necessarily imply producing new legislation. "Soft law" in particular may be a valuable alternative to legislation on the one hand and a case-by-case approach on the other;

The Committee supports the principle of creating a European Energy Community (EEC) and endorses the interim steps that this would entail, including regional European energy networks, a renewable energy development fund and a gas-purchasing group;

Critical assessment of the liberalisation of the energy market, as the results for citizens and business have not brought the foreseen lower prices.



### **The digital Single Market**

Actions have to be taken to complement the measures already prepared by the Commission, namely high data protection, open internet, net neutrality, the removal of barriers based on nationality/residence, e-signature, e-payment, broadband investment, universal access, accessibility of hardware and software for everybody;

Legislation for online services must be accompanied by a consistent consumer policy;

Ensure administrative cooperation between Member States and to open e-government services, which could be facilitated through the generalised use of IMI (Internal Market Information system);

Take particular account of the advantages of the widespread dissemination of electronic invoicing but it believes it should remain optional with equal treatment of paper while any additional burden for SMEs should be avoided.

### **Social entrepreneurship**

Review the actual impact of social businesses on the community. Such a measurement will also be required to implement the European Social Entrepreneurship Fund;

The proposal of the European Foundation and all other European Corporate forms has to be assessed against the background of the consultation on the renewal of European company law.

### **Taxation**

A standard EU VAT declaration would contribute to administrative simplification;

Attention should be paid to the VAT regime for financial services, and certainly if a new financial sector tax based on cash flows or similar factors were to be introduced, the Commission should assess the merits of designing it within the VAT framework;

Introduction of general rules to pay the VAT only when an invoice has been paid by the customer.

### **Social cohesion**

Clarify the enforcement rules and the reference to article 3.3 of the Lisbon Treaty where it is said that the internal market is not a goal in itself, but an instrument to achieve social progress and a sustainable society for the European citizens.

### **Business environment**

Pay special attention to the issues that are not sufficiently covered by EU legislation and by support programmes such as self-employed people.

### **Public procurement**

Public procurement has to be established by rules that not only refer to the best price; other criteria related to the social benefits and the impact on sustainability must be weighted on an equal footing;

It should be considered to which extent EU public procurement markets could sustainably remain open whilst third countries maintain an unlevelled playing field;

More could be achieved through e-procurement to speed up administrative procedures.



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**European Economic and Social Committee**

Rue Belliard/Belliardstraat 99  
1040 Bruxelles/Brussel  
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